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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C. 20554

FEB 1 1 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies ET Docket No. 92-9

## REPLY COMMENTS OF NYNEX CORPORATION

NYNEX Corporation ("NYNEX") submits the following
Reply Comments in response to the Commission's First Report and
Order and Third Notice of Proposed Rulemaking in the
above-referenced proceeding (the "Report").

## I. INTRODUCTION

Comments submitted in this proceeding indicate the importance of determining an appropriate transition period and its commencement date to ensure the efficient migration of incumbent 2 GHz system operations to comparable alternative facilities while protecting continuing point-to-point operations above 3 GHz. Negotiations between actual parties in interest (i.e., licensees), will help fulfill that goal.

Clearly, commenting parties recognize the need to give special consideration to local governments' use of 2 GHz spectrum for public safety purposes. However, such use must be qualified.

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Arbitration will, if necessary, provide for more rapid resolution of relocation negotiations. Tax credits will also quicken the pace of relocation.

## II. <u>DISCUSSION</u>

In its Comments, NYNEX noted that regardless of the length of transition periods, such periods should not commence until an emerging technology license is actually granted. Other commenting parties echoed that theme noting that transition periods should not commence until receipt of a "bona fide" request for relocation, defined as a "request made by a qualified entity that has been granted and holds proof of a valid FCC license for the specific frequency, service area and operation in question." 1

There is far less consensus on just what is the proper length of the transition period. Those parties advocating longer transition periods<sup>2</sup> sacrifice spectrum efficiency and place at risk a more rapid development of emerging technologies. Ironically, shorter transition periods<sup>3</sup> might

See, Southwestern Bell Corporation Comments at pp. 7-8.
See also, GTE Service Corporation Comments, p. 4; American Public Power Association Comments, p. 3. cf., American Personal Communication Comments, pp. 7-8. (transition period should begin effective September 17, 1992.)

See e.g., GTE Service Corporation Comments, p. 5 (indefinite or ten year period); American Gas Association Comments, p.2. (ten year period); National Rural Electric Cooperative Association Comments, p. 8. (eight year negotiation period, three year "rolling" period).

See e.g., Time-Warner Comments, p. 5 (no more than three years); Personal Communications of NY, Comments, p. 14 (three years); Rolm Comments, pp. 3-4 (less than one year).

also inhibit the development of new technologies, particularly if the Commission chooses a transition period commencement date which is prior to the issuance of an actual license. NYNEX reaffirms that a transition period of five years from a licensing date will maximize spectrum efficiency and allow the emerging industry to take advantage of all possible technological developments which might allow more efficient spectrum utilization, including more effective modulation schemes permitting greater spectrum capacity.

Should the Commission continue to exclude local governments from mandatory relocation, the Commission must initially limit such relocation exclusions to local governments for use in the provision of actual "public safety" purposes. Upon such qualification, the Commission will be able to assess the amount of spectrum dedicated to actual public safety purposes. At that time the Commission could determine whether the proposals of Apple Computer and Rolm<sup>4</sup> not to exclude even public safety uses from relocation require consideration.

NYNEX does see promise in the Apple Computer proposal to accommodate local government licensees' by granting public safety service priority access to relocation opportunities within the 2GHz band, including government frequencies in the 1.71-1.85 GHz band.

See, Apple Computer, Inc. Comments, pp. 6-7; Rolm Comments, pp. 2-3.

See, Apple Computer, Inc. Comments, p. 7.

Arbitration is the preferred process to address unresolved relocation negotiations inasmuch as it vests qualified parties with the ability to resolve disputes quickly. The employment of a private arbitrator would alleviate a potentially crippling administrative burden on the Commission.

Virtually all commenting parties who addressed the issue of tax certificates for relocated incumbent microwave users favored this approach as an incentive. NYNEX continues to support the issuance of tax certificates as an equitable incentive to voluntary relocation.

## III. CONCLUSION

This proceeding is crucial to establish a firm foundation for redevelopment of spectrum in the 2 GHz band. The equitable treatment of emerging technology licensees, incumbent 2 GHz band licensees and current licensees above 3 GHz will bode well for the success of emerging telecommunications technologies.

Respectfully submitted,

NYNEX Corporation

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It's Attorneys

Dated: 2/11/93

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing REPLY COMMENTS OF NYNEX CORPORATION, was served by first class United States Mail, postage prepaid, on each of the parties indicated on the attached service list, this 11th day of February, 1993.

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